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SOURCE Sunkan T'ongsin (Thrice Monthly Review), No 21, 1949.NORTH KOREAN BUDGET FOR 1949

Paik Yong-myong

The gross national budget for 1949 is 19,762,630,000 won. This represents a 26.9 percent increase in annual income and 44.7 percent increase in expenditures over 1948. The 1949 budget is designed to carry out effectively the Two-Year People's Economic Program of 1949 and 1950.

The bulk of the 1949 revenue, 53.1 percent of the total, or 10,495,588,000 won, will come from the state-managed industries; 4,241,012,000, 21.5 percent from direct taxes; and 1,917,000,000, 9.7 percent, from the balance carried forward from the 1948 budget. In an attempt to lessen the tax burden of the people, the government is contemplating a reduction of individual income taxes by 0.7 percent and local taxes by 1.4 percent. In addition, the government is considering the possibility of lowering income taxes of both medium- and small-business firms as an incentive to business.

<u>Sources of Income</u>	<u>Percent</u>	
Direct taxes	21.5	
State-managed industries	53.1	
Customs duty and revenue stamps	3.1	
Social insurance	3.0	
Price-reduction refund and collection of liquid surplus funds	5.6	
Surplus carried forward from previous year, and miscellaneous funds	13.7	

<u>Expenditures</u>	<u>Percent</u>	<u>Won</u>
Investment in people's economic development	40.9	8,092,930,000
Education, public health, social work, and cultural enterprises	19.3	3,804,097,000
State-managed enterprises	18.2	3,621,968,000
Peace and order	15.8	3,100,000,000
Reserve	5.8	1,133,635,000

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The heavy investment in the people's economic program made it possible to construct the following new industrial enterprises: one 500-ton furnace, one 300-ton furnace, two open-hearth furnaces, one Soviet-managed steel plant, one steel plant, one rolling-stock plant, and two zinc refineries. In addition, all other industries such as chemical, machine, fuel, etc., as well as the housing program, are to be expanded sharply in 1949.

Furthermore, financial and technical aid will be extended to the following industries: building-material production, marine-product, live-stock farms, farm-equipment production, land and sea transportation, rubber, salt, tobacco, ginseng, industry, communications, etc.

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